

Combined Utility System Fund
For the period ended March 31, 2005
(amounts expressed in thousands)

		FY2005				
	FY2004 Actual	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 221,922	\$ 296,706	\$ 296,706
Sewer Sales	257,224	299,253	299,253	211,022	291,190	291,190
Penalties	4,150	3,741	3,741	3,550	3,875	3,875
Other	4,562	4,360	4,360	3,398	4,418	4,418
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>439,892</u>	<u>596,189</u>	<u>596,189</u>
Operating Expenses						
Personnel	124,054	122,241	125,485	86,796	117,000	117,000
Supplies	23,141	26,007	26,922	20,023	28,000	28,000
Electricity and Gas	35,200	47,169	46,028	34,530	45,000	45,000
Contracts & Other Payments	84,323	92,013	92,303	51,997	78,000	78,000
Total Operating Expenses	<u>266,718</u>	<u>287,430</u>	<u>290,738</u>	<u>193,346</u>	<u>268,000</u>	<u>268,000</u>
Operating Income (Loss)	<u>264,490</u>	<u>330,992</u>	<u>327,684</u>	<u>246,546</u>	<u>328,189</u>	<u>328,189</u>
Nonoperating Revenues (Expenses)						
Interest Income	6,889	5,161	5,161	6,948	7,885	7,885
Sale of Property, Mains and Scrap	664	508	508	848	1,005	1,005
Other	9,934	7,863	7,863	5,516	7,580	7,580
Other Financing Sources - Pension Bonds	0	0	0	3,308	3,308	3,308
Gain on escrow restructure	0	0	0	15,113	29,013	29,013
Gross Revenue Contrib. from Water Auth.	60,687 *	0	0	0	0	0
Impact Fees	15,580	14,000	14,000	15,497	15,497	15,497
HAWC	(6,391)	(4,608)	(4,608)	(1,677)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	<u>(31,454)</u>	<u>(32,317)</u>	<u>(32,317)</u>	<u>(30,282)</u>	<u>(32,317)</u>	<u>(32,317)</u>
Total Nonoperating Rev (Exp)	<u>55,909</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>15,271</u>	<u>27,363</u>	<u>27,363</u>
Income (Loss) Before Operating Transfers	<u>320,399</u>	<u>321,599</u>	<u>318,291</u>	<u>261,817</u>	<u>355,552</u>	<u>355,552</u>
Operating Transfers						
Debt Service Principal	67,492	12,675	12,675	9,852	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	114,083	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	27,822	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	4,119	17,862	17,862
CUS General Purpose Fund	46,752	49,752	46,444	0	83,705	83,705
Transfer to General Fund	4,100	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	0	0	0	0	0	0
Transfer to Stormwater	<u>10,100</u>	<u>30,000</u>	<u>30,000</u>	<u>22,500</u>	<u>30,000</u>	<u>30,000</u>
Total Operating Transfers	<u>320,399</u>	<u>321,599</u>	<u>318,291</u>	<u>178,376</u>	<u>355,552</u>	<u>355,552</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>83,441</u>	\$ <u>0</u>	\$ <u>0</u>

*Note: For CAFR purposes, this amount is treated as deferred revenues and is presented here to make it more comparable to the budgetary accounting basis used in the MFOR.

About the Fund:

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.